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PTAB HIGHLIGHTS

New developments in post-issuance proceedings

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Can't Stop Arguing? IPRs are Right for You

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May 5, 2017 — We all know the litigator who can't stop arguing. He's the one who doesn't let you speak in a session with a court. She's the one who moves to file a sur-reply to get in the last word in motion briefing that should go brief-response-reply-stop. They're the ones who file motions to strike that are largely about getting last words in, not striking. Proceedings veer away from justice, get delayed, and become wildly overly costly.

If you're one of these litigators, *inter partes* reviews (IPRs) are right for you. In fact, we'll all have to become more like you because of a recent case from the U.S. Court of Appeals for the Federal Circuit.

*Securus Techs., Inc. v. Global Tel*Link Corp.*, Nos. 2016-1992 & 1993 (Apr. 25, 2017) (nonprecedential) concerned two IPR appeals. The Patent Trial and Appeal Board (PTAB) held that all the claims of a patent were unpatentable. The Federal Circuit affirmed "for those claims for which the Board provided a reasoned explanation." Slip op. at 3. For claims with no reason given, and there were some, the Court vacated and remanded. *Id.*

The Federal Circuit started its analysis of the appeal by reminding the parties and readers that it sets aside PTAB decisions when they are arbitrary, capricious, an abuse of discretion, not otherwise in accordance with law, or not supported by substantial evidence. *Id.* at 6. Substantial evidence is just such evidence as a reasonable mind might accept as adequate for a factual finding. *Id.* It also reviews PTAB legal conclusions anew. *Id.*

The Court next dove into the first ground for the appeal. Securus, the patent owner, argued that the PTAB failed to meet the Court's review standards, because the PTAB had adopted arguments raised too late in the IPR. *Id.* at 7. The Court in the past has required some due process — notice

and opportunity to respond — from the PTAB. Please see, “Finally, the PTAB Gets Told to Give Patent Owners in IPR Some Due Process,” another one of our highlights.¹

The argument did not stop the Federal Circuit. Before it even considered Securus’ argument, the Court reviewed the invalidity decision, and resolved that the PTAB correctly held the claims unpatentable. Having biased itself that it should affirm, the Court next moved to the due process argument. Securus argued that the PTAB’s invalidity analysis relied on a petitioner’s argument first raised in a reply filed deep into the proceeding, *id.* at 9 — after the petition, the patent owner’s response, the patent owner’s discovery period, and the like. But the Court found against a PTAB error.

Along the way to its pre-ordained conclusion on the first ground for appeal, the Court referenced trite standards that the PTAB did not have to alert a patent owner in its institution decision to every legal or factual issue that might arise. *Id.* at 10. And then the Court turned hard on what Securus had done and not done at the PTAB: “it is incumbent upon the party complaining of some procedural violation—such as the inclusion of improper rebuttal in a reply brief—to first raise the issue below.” *Id.* Securus, said the Court, “presents no evidence that it availed itself of the procedures for filing a sur-reply, a motion to strike, or a conference call to challenge [an] allegedly improper argument.” *Id.* at 10-11. Next, the Court returned to its conclusory introduction, and repeated that the PTAB had correctly held claims unpatentable.

What is a reasonable IPR litigator to do, given this decision? The answer is simple. Become the litigator who won’t stop arguing. Pick apart everything your opponent argues at every stage of the proceeding to be able to assert the opponent has taken a new position of fact and/or law, or cast the facts and/or law in a new light. And then “avail[] [yourself] of the procedures for filing a sur-reply, a motion to strike, or a conference call to challenge [any] allegedly improper argument.” Because if you don’t, your case will pay. And once we all do this, won’t this be fun?

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The Leahy-Smith America Invents Act established new patent post-issuance proceedings, including the inter partes review, post grant review and transitional program for covered business method patents, that offer a less costly, streamlined alternative to district court litigation. With the U.S. Patent and Trademark Office’s Patent Trial and Appeal Board conducting a large and increasing number of these proceedings, and with the law developing rapidly, Banner & Witcoff will offer frequent summaries of the board’s significant decisions and subsequent appeals at the U.S. Court of Appeals for the Federal Circuit.



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¹ <https://bannerwitcoff.com/wp-content/uploads/2016/03/PTAB-Highlights.Shifley.03.17.16.pdf>